
SEARS HOLDINGS

STATUS UPDATE PRESENTATION TO THE COURT – JANUARY 20, 2022

Claims Status Update

\$ in mm Group	Number of Claims	Asserted Amount	Allowed Amount Through 01/19/22	Preference Set-off	Allowed Amount net of Set-off	Est. Allowed Amount Post-discount	Net Distributions / Reserves to Date	Remaining Amount
Allowed Opt-In Deminimis ⁽¹⁾	143	N/A	\$0.9	N/A	\$0.9	\$0.7	(\$0.7)	-
Allowed Opt-In Non-Deminimis ⁽²⁾	196	N/A	70.1	(5.8)	64.3	48.2	(24.6)	23.6
Allowed Non-Opt Out Deminimis ⁽¹⁾	925	N/A	3.9	N/A	3.9	3.1	(3.1)	-
Allowed Non-Opt Out Non-Deminimis ⁽²⁾	296	N/A	66.4	(18.8)	47.6	38.1	(20.4)	17.6
Total Opt-In and Allowed Non-Opt-Out	1,560	N/A	\$141.3	(\$24.6)	\$116.8	\$90.1	(\$48.9)	\$41.3
<i>Opt-In Claims - Subject to Preference</i>	10	N/A	4.1	TBD	4.1	3.1	(1.5)	1.6
<i>Non-Opt-Out Claims - Subject to Preference</i>	51	N/A	4.9	TBD	4.9	3.9	(1.8)	2.1
<i>Non-Opt-Out Claims - To Be Reconciled⁽³⁾</i>	5	2.7	N/A	N/A	N/A	1.3	(1.0)	0.3
<i>Opt-Out Claims - To Be Allowed</i>	55	6.3	N/A	N/A	N/A	6.3	-	6.3
<i>Opt-Out Claims - Subject to Objection⁽⁴⁾</i>	7	2.8	N/A	TBD	N/A	1.7	-	1.7
<i>Opt-Out Claims - Disallowed Subject to Appeal⁽⁴⁾⁽⁵⁾</i>	1	730.4	N/A	N/A	-	-	-	-
Total Estimated Allowed Admin Claims			\$150.4	(\$24.6)	\$125.8	\$106.5	(\$53.2)	\$53.3
<i>Retiree 1114 Settlement⁽⁶⁾</i>	5,724	161.3	N/A	N/A	N/A	52.9	-	52.9
<i>RE Tax - Pre-Petition Priority⁽⁴⁾</i>	68	5.0	N/A	N/A	N/A			
<i>RE Tax - Subject to Objection⁽⁴⁾</i>	10	0.2	N/A	N/A	N/A			
<i>Non-RE Tax - Reconciled⁽⁴⁾</i>	52	13.0	N/A	N/A	N/A			
<i>Non-RE Tax - To Be Reconciled⁽⁴⁾</i>	11	34.9	N/A	N/A	N/A			
<i>Non-RE Tax - Subject to Objection⁽⁴⁾</i>	16	3.0	N/A	N/A	N/A			
<i>Priority Non-Tax - Severance⁽⁴⁾</i>	743	4.8	N/A	N/A	N/A			
<i>Priority-Non-Tax - Subject to Objection⁽⁴⁾⁽⁷⁾</i>	10	1.1	N/A	N/A	N/A			
<i>Secured Non-Tax Claims - To Be Reconciled⁽⁴⁾⁽⁵⁾</i>	8	1,203.4	N/A	N/A	N/A			
Total Estimated Allowed Priority and Secured Claims								
Total Estimated Allowed Claims					\$125.8	\$159.4	(\$53.2)	\$106.1

- (1) Received final payment in full satisfaction of claims
- (2) Includes claims impacted by preference set-off subsequent to 1st or 2nd distribution
- (3) Reserve is based on asserted amount. "Allowed Amount Post-Discount" is the Debtors' estimate
- (4) "Allowed Amount Post-discount" is the Debtors' estimate
- (5) "Number of Claims" and "Asserted Amount" excludes duplicate claims asserted across multiple Debtors
- (6) Allowed claimants share \$3.0mm on a pro-rata basis
- (7) Excludes PBGC asserted priority claim for \$462mm settled as part of the Plan

Recovery Analysis

\$ in mm	Estimates as of 1/1/2022
Cash	
Cash Balance as of 1/1/2022	\$34.5
Less: Total Reserves as of 1/1/2022	(3.9)
Total Remaining Cash as of 1/1/22⁽¹⁾	\$30.6
ESTIMATED REMAINING ASSETS	
Real Estate	\$1.1
Other Proceeds	27.7
Total Remaining Asset Recoveries	\$28.8
Estimated Cash Available to Satisfy Operating Expenses & Claims	\$59.5
ESTIMATED REMAINING AMOUNTS OWED ON ADMINISTRATIVE, PRIORITY, AND SECURED CLAIMS NET OF RESERVES	
Administrative Expense Consent Program	(53.3)
Priority and Secured	(52.9)
Total Remaining Claims Net of Reserves⁽²⁾	(106.1)
Estimated Other Post-Confirmation Expenses/Liabilities 1/1/22 forward	(15.9)
Total Projected Uses	(\$122.0)
Total Difference between Cash Available and Projected Uses	(\$62.6)

- The \$62.6mm difference between estimated cash available and projected uses is expected to be covered by proceeds from future preference actions and ESL litigation

Distributions Update

The Debtors expect to make a 4th Distribution of \$17.7mm on account of Opt-In and Non-Opt-Out Administrative in March

\$ in mm	Remaining Amt.			
Group	Before 4th Dist.	Proposed 4th AECF Dist. / Reserve	Remaining Amt. After 4th Dist.	
Allowed Opt-In Deminimis ⁽¹⁾	-	-	-	
Allowed Opt-In Non-Deminimis ⁽²⁾	23.6	(8.4)	15.2	
Allowed Non-Opt Out Deminimis ⁽¹⁾	-	-	-	
Allowed Non-Opt Out Non-Deminimis ⁽²⁾	17.6	(7.0)	10.7	
Total Opt-In and Allowed Non-Opt-Out	\$41.3	(\$15.4)	\$25.9	
<i>Opt-In Claims - Subject to Preference</i>	1.6	(0.6)	1.0	
<i>Non-Opt-Out Claims - Subject to Preference</i>	2.1	(1.3)	0.8	
<i>Non-Opt-Out Claims - To Be Reconciled⁽³⁾</i>	0.3	(0.3)	-	
<i>Opt-Out Claims - To Be Allowed</i>	6.3	-	6.3	
<i>Opt-Out Claims - Subject to Objection⁽⁴⁾</i>	1.7	-	1.7	
<i>Opt-Out Claims - Disallowed Subject to Appeal⁽⁴⁾⁽⁵⁾</i>	-	-	-	
Total Estimated Allowed Admin Claims	\$53.3	(\$17.7)	\$35.6	
<i>Retiree 1114 Settlement⁽⁶⁾</i>	52.9	-	52.9	
<i>RE Tax - Pre-Petition Priority⁽⁴⁾</i>				
<i>RE Tax - Subject to Objection⁽⁴⁾</i>				
<i>Non-RE Tax - Reconciled⁽⁴⁾</i>				
<i>Non-RE Tax - To Be Reconciled⁽⁴⁾</i>				
<i>Non-RE Tax - Subject to Objection⁽⁴⁾</i>				
<i>Priority Non-Tax - Severance⁽⁴⁾</i>	52.9	-	52.9	
<i>Priority-Non-Tax - Subject to Objection⁽⁴⁾⁽⁷⁾</i>				
<i>Secured Non-Tax Claims - To Be Reconciled⁽⁴⁾⁽⁵⁾</i>				
Total Estimated Allowed Priority and Secured Claims			\$52.9	
Total Estimated Allowed Claims	\$106.1	(\$17.7)	\$88.5	

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